

## **An Overview of Lagrange County's 2009 Annual Trending September 3, 2009**

The following steps were taken to conduct the 2009 annual trending in Lagrange County:

### **Step 1: Re-Delineation of Neighborhoods**

The vast majority of neighborhoods in Lagrange County were completely re-examined and, where necessary, re-delineated for annual trending in 2008. This would include the creation of new neighborhoods and the combination of neighborhoods as well. This portion of trending included all property classes. The neighborhood delineations were reviewed for 2009 trending, also. However, since the neighborhoods were re-examined for 2008, it was only necessary to re-delineate neighborhoods. Neighborhood 5011300 was created for a group of parcels that have a view of stone lake from across the road, but are not adjacent to the lake.

### **Step 2: Calculation of New Land Values**

New land values were calculated for 2007 and 2008, so it was necessary to calculate new land values only in limited circumstances. For rural residential property, small adjustments may have been made based on sales, but the market adjustment factor was the primary means of updating rural residential property values. Land values were reviewed around all of the lake properties and recalculated where necessary. For commercial and industrial properties, land values generally stayed consistent between January 1, 2007 and December 31, 2008. Some market areas or some use types warranted influence factors; these factors were reviewed and adjusted accordingly.

Due to the scarcity of vacant residential sales in Bloomfield, Clearspring, Eden, Greenfield, Lima, Springfield, and Van Buren, the sales were combined with other townships in the ratio study. Since there were less than five (5) sales in each of these townships, these were considered to be an inadequate sample and were combined into one ratio study. This provided a sufficient number of sales to analyze the accuracy and uniformity of assessed values.

It was necessary to expand the time window for vacant commercial and vacant industrial sales. This increased the sample size for review of commercial and industrial land values. These sales were adjusted for time, based on a study conducted by the Federal Housing Finance Agency, which indicated a 2% increase in values per year.

### **Step 3: Calculation of New Residential Factors & Residential Studies**

Per 50 IAC 14, a preliminary ratio study was conducted for vacant and improved residential at the township level. This study dictated which property classes required further analysis, stratification, reassessment or calculation of a new neighborhood factor. In some instances, especially in rural areas of Lagrange County, the preliminary ratio study indicated that assessments were both accurate and uniform. In other neighborhoods, further review was required. This resulted in the calculation of new neighborhood factors.

In a few cases, it was necessary to trim outliers in accordance with IAAO standards. The worksheet containing the calculations for trimming of outliers is included with the ratio study.

### **Step 4: Updated Commercial & Industrial Improvement Values**

Sales, income, listings and appraisal data were used to update commercial and industrial improvement values. In cases where these methods produced widely divergent values, the most appropriate valuation method was used for the specific property class. When comparable non-sold properties were identified and values from sales and/or income justified changes, the non-sold



property was likewise adjusted. Income data collected from the field and through the appeals process was also used by property class or for specific, unique properties. In some specified cases where little or no comparable property existed within the township or county, this comparison process extended beyond the county borders so as to identify the most appropriate comparisons and valuations.

The unique nature of each specific use of property within the categories of commercial and industrial properties led to review of uses of property in some cases. For example, all of the properties with property class code 401 (Commercial Apartments 4-19 units), were reviewed within the corporation limits of LaGrange. The values were adjusted as necessary based on a per unit sales analysis conducted using recent sales data, emphasizing the thorough review of unsold properties. In addition the property class 495 (Commercial Marina) was review in its entirety.

It was necessary to expand the time window for improved commercial and vacant industrial sales, in order to obtain an adequate sample size. This created a sample size sufficient for review of commercial and industrial improvement values. These sales were adjusted for time, based on a study conducted by the Federal Housing Finance Agency, which indicated a 2% increase in values per year.

In a few cases, it was necessary to trim outliers in accordance with IAAO standards. The worksheet containing the calculations for trimming of outliers is included with the ratio study.